McNamara Declaration

Exhibit 84

From:	Brewster Kahle
Sent:	Friday, April 19, 2019 6:15 PM EDT
To:	Peter Baldwin
Subject:	Re: Big steps to weave books into the web
Attachments:	signature.asc

Peter,

You are right to be puzzled, and I go further than that into frustration.   We have worked with 500 libraries over the years to digitize their books, but they have not been interested in moving into the modern books area, even if it is free to them. We believe that John Palfrey will let us digitize Phillips Andover's library of 65,000 modern books, but that has been about it. A library donated 1/2 of their books as part of a library remodel, which is going through. But we have not found an existing library that we can digitize their collection of modern materials.   (and the cost of doing this in the US is high, which is often a requirement)

So then what do we do to get the books we want? We believe we can get a couple of million books that we do not already have for maybe $1 each. We have about 500k in stock now ready to be digitized, so maybe one year in stock.   But getting particular books that we want will cost more, and looks like much more even if bought wholesale.

But your question is right-- why spend $17.5m to $20m rather than buy books?   A few of our thoughts:

   * They have seen 7million different books over the last 3 years (based on collecting 90million books from 4,000 libraries). We would get one of each title, so maybe 7 million over the next few years. They have seen 800,000 of our top wish list over this time, so it shows how hard to find these books.

   * We want them to expand to handle pre-isbn (1923-1973) which none of the big vendors handle well, so they throw them out.   Controlling bwb allows us to prioritize handling these.

   * we will get lots of other media types: currently they throw away the CDs, DVDs, LP's they get.   We would get these as well.

   * and we may get the money back and more.

When I asked our director of Open Libraries, Chris Freeland a few weeks ago, he said:

   - To me, the value of BWB to our mission extends far beyond their physical inventory. It's not just backward-looking at books, but forward looking at new services. Their business processes (intake, sales, customer service, metadata, predictive analytics) advance our cause, and their relationships with libraries help weave us into the fabric of the library community in ways that we cannot do alone.

   - BWB solves a problem for libraries. Match their library

problem-solving with our library innovation, and I think we become a powerful partnership that not only benefits libraries, but helps them transform their physical collections and themselves.

    - "Will BWB get us the books we want?" I think that answer is yes. BWB has seen more than half the wish list in 3 years through passive collecting; with their network of libraries and existing processes for book acquisition, we could run a more focused, active book drive with libraries at scale for our wish list titles without having to create the infrastructure and business processes to support it.

And Jim Michalko, the former-OCLC director, and consultant on the Open Libraries project:

    - The Internet Archive knows how important it is to have a trusted, efficient partner to manage de-accessioning books responsibly. BWB has been a great partner to the Archive over the years and we wanted to be sure it continued operating for the benefit of all libraries.

    - IA acquired BWB which was already a socially-responsible B corporation and has made it into a 501c3 not-for-profit. As a NFP corporation it will be able to continue accepting your books, return a bigger commission and ensure your books reach worthy readers through book sales and book donations to charitable organizations.

    - The successful operation of BWB will provide funding back to The Internet Archive to help ensure that it can continue to deliver free services to the world and steward digital materials for use by generations to come.

And from David Fox, who has been lead on this deal here at the Internet Archive, and a M&A and investment background:

    - BWB has spent 17 years building working relationships with thousands of libraries to get 30million books a year. It would take us years, if even possible, to fight our way into this stream to get the books we are looking for.

This is not to have rosey glasses, but when we looked at it, the putting at risk of this part of our endowment seemed like a worthwhile balance. It would be a bold step and a fast step towards building a great digital library and physical collection.

-brewster

On 4/19/19 8:35 AM, Peter Baldwin wrote:
> I'll let you know when I can put you in direct contact. But I'm still a little puzzled by what you get out of this. 20M is a lot to spend to get your hands on books. Wouldn't it make more sense to ally with an existing library (rather than creating a new one) whose books you could digitize as though they were IA's?
>
> -----Original Message-----

> From: Brewster Kahle <████████@archive.org>
> Sent: Friday, April 19, 2019 8:33
> To: Peter Baldwin <████████@history.ucla.edu>
> Cc: Ross Mounce ██████████@arcadiafund.org.uk) <████████@arcadiafund.org.uk>
> Subject: Re: Big steps to weave books into the web
>
>
> We can definitely use the help on this process. This is bigger than I have done-- but I love the combination of missions.   BWB explains it as an investment, but I have pitched it as money "with no teeth," in other words, the money might come back, might not. But at least they should be self sustaining and not require more money.
>
> ██
██
██.
>
> ██ They are good folks. As an investment, I think it would be risky, and should be thought of that way. It can be done as a grant to the new 501c3 non-profit, the owning entity, but money might get paid back. Or it can be structured as a loan, but risky. Sounds more like a PRI than an MRI if I understand it correctly (https://missioninvestors.org/resources/mris-and-pris-private-foundations
>), but I am new to this.
>
> Look forward to talking with your investment folks.
>
> -brewster
>
>
> On 4/19/19 2:00 AM, Peter Baldwin wrote:
>> I've asked our investment guys, who are sharp as tacks, to have a look at your business plan and will put them in touch with you, with your permission. Haven't heard back yet, but it's easter in this part of the world. They might be useful for you in general, in terms of formulating the right questions to ask in Indiana and the things to look for. Will be back in touch in the coming week.
>>
>> -----Original Message-----
>> From: Brewster Kahle <████████@archive.org>
>> Sent: Thursday, April 18, 2019 17:41
>> To: Peter Baldwin <████████@history.ucla.edu>
>> Cc: Ross Mounce (████████@arcadiafund.org.uk)
>> <████████@arcadiafund.org.uk>
>> Subject: Re: Big steps to weave books into the web
>>
>>
>> Thank you for the reply.   I am very excited about this as it solves
>> short term issue: how do we get good books, long term: how do we keep
>> going without having to buy them over time, and maybe
>> library-structural
>> issue: how do libraries deaccession with a clearer conscience.
>>
>> It may be easier to talk about this on a call, but I will interweave answers here:
>>
>> On 4/18/19 2:22 AM, Peter Baldwin wrote:
>>> Very interesting Brewster. Let me run this by a few people and get back to you.
>> Feel free, but please let people know this is under NDA.
>>> The ██████ this would cost would guarantee a supply of books, but leave the costs of digitization still to be found.
>> Yes. there are other costs to this project and we are getting them quite screwed down: roughly $5/book for

digitization, then physical storage (some options there) and then digital access: digital file maintenance forever and weaving them into things like wikipedia.
>>> Is the idea that the BWB -- despite debt -- is a going commercial proposition which would at least pay for itself? If so, that means capital costs of ███████████████ tied up in the acquisition of books. Does that make sense?
>> Yes, they are a going concern and hopefully even profitable. If they generate money then they could pay for the digitization, for instance, but we will see. I dont know how long used books will be a thing, but hopefully for 5-10 years at least.
>>> What is the difference in price between costs of assuming the debt and buying the whole business?
>> ███ ████
██
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███.
>>
>> Again, I am quite available to talk about this. I am going out to Indiana next week to start due diligence-- we have worked with them for many years and like them, and I have seen the operations, but I have not probed on legal/accounting/keyemployee type of things. If you would like to talk, or even come, it is a trip you will remember, I guarantee it.
>>
>> cell: ████████████
>>
>> -brewster
>>
>>
>>> -----Original Message-----
>>> From: Brewster Kahle <██████r@archive.org>
>>> Sent: Wednesday, April 17, 2019 9:23
>>> To: Ross Mounce <█████████@arcadiafund.org.uk>; Peter Baldwin
>>> <████████@history.ucla.edu>
>>> Subject: Big steps to weave books into the web
>>>
>>>
>>> Peter and Ross,
>>>
>>> I thought I would write to see if you would like to be involved in a big step on bringing books to the Internet. I mentioned the possibility of this when we had dinner in SF, and fantastically, it is happening. This is not meant to be more than an "if you are interested," and we could use the help, but again, it is up to you.
>>>
>>> We are working to "turn all wikipedia citations blue" as well as
>>> augmented online pdf viewers and the like with direct links into
>>> books to preview and offer them to be borrowed.   (this nicely helps
>>> with Wikipedia's whitepapers on Knowledge Integrity, but it is more
>>> broadly
>>> useful:
>>> https://meta.wikimedia.org/wiki/File:Knowledge_Integrity_-_Wikimedia_
>>> R
>>> esearch_2030.pdf
>>>)
>>>
>>> Example wikipedia page with links to our books:
>>> https://en.wikipedia.org/wiki/Martin_Luther_King_Jr.#cite_note-11   try clicking on the page numbers.
>>>
>>> Towards that we are looking to select and digitize another 4 million
>>> modern books on top of the almost 1 million we have already done.
>>>

>>> We have had issues finding the books we want at the price points we
>>> are interested in.
>>>
>>> One of our major suppliers, Better World Books, has donated over 1 million books to us over the years, ███ ██ They get 30 million books a year, and
sell 10 million-- the others are donated or recycled.   We want more of the flow.
>>>
>>> ██ We have been talking
to them, and, this is under a Non Disclosure Agreement (NDA), but I wanted to share it with you:
>>>
>>> We now have an Letter of Intent to pay off the company's debt and have a new non-profit own all of its shares.
This is a bold move and our library colleagues believe it can help rearrange how books work in the library field in
general: libraries buy books, and now consign or donate them to BWB, the new non-profit would keep 1 copy for
digitization and preservation, the rest get sold.   This is what BWB does already, but we would ramp this up.   As a
self sustaining business, this will keep the books flowing year after year.
>>>
>>> We are looking for funding and will be looking for board members for
>>> the new non-profit.
>>>
>>> ██
████████████████████████████████████ I have this much in the funds that endow the
Internet Archive, but hoping to share the risk and burden. This deal is scheduled to close at the end of May.
>>>
>>> Might you be interested in participating?
>>>
>>>
>>> The next steps beyond this are also going well, and ramping up:
>>>
>>> Scanning the books: In Cebu Philippines we are digitizing at 800 books per day ramping up to 500k books per
year. This easy can be doubled.
>>>
>>> Preserving the physical books: We are filling our second physical archive building and looking for the next
location.   We are looking at more remote locations that are dry cold and quiet.
>>>
>>> Serving the digitized books: Have this working now in production.
>>> Then there is weaving these into wikipedia, pdf viewers, and other systems to try to get them used more.
>>>
>>> I can fill in more details if you are interested.
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>>>
>>> Hope this finds you well-- please let me know what you think.
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>>> -brewster
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